



FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

OFFICE OF
THE CHAIRMAN

October 17, 2019

The Honorable Bill Johnson
U.S. House of Representatives
1710 Longworth House Office Building
Washington, DC 20515

Dear Congressman Johnson:

Thank you for your letter regarding the Federal Communications Commission's recent rulemaking regarding the 2.5 GHz band, specifically addressing the Educational Broadband Service (EBS) portion of that band. Closing the digital divide is the FCC's top priority. Among many other steps, the Commission recently addressed this priority by adopting a report and order aiming to maximize the potential of the 2.5 GHz band to bring advanced wireless services to those who for too long have been on the wrong side of that divide.

This is the single largest contiguous swath of mid-band spectrum below 3 gigahertz in the nation. And given its combination of coverage and capacity, it presents a big opportunity for 5G. But today, this valuable public resource is dramatically underused. That's partly because technological advances have rendered the original intended uses outdated and partly because arcane rules have hampered providers from putting the spectrum to its highest-valued use.

At long last at our July meeting, we removed the burdensome restrictions on this band, allowing incumbents greater flexibility in their use of the spectrum, and introduced a spectrum auction that will ensure that this public resource is finally devoted to its highest-valued use. These groundbreaking reforms will result in more efficient and effective use of these airwaves and represent the latest step in advancing U.S. leadership in 5G.

We also gave rural Indian tribes an exclusive window to obtain this spectrum to serve Tribal lands. Here's why. As I've seen for myself—from the Rosebud Sioux Reservation in South Dakota to the Navajo Nation in Arizona, from the Coeur D'Alene Reservation in Idaho to the Jemez and Zia Pueblos in New Mexico—the digital divide is most keenly felt in Indian Country. I want to make sure that those committed to connecting Tribal members in rural areas are given a strong opportunity to succeed. A Tribal priority filing window will help the most marginalized communities in the country gain access to services using this transformative spectrum band.

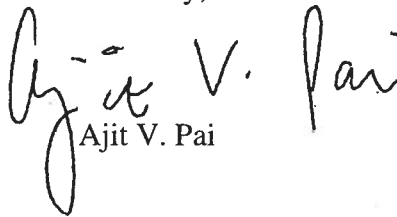
Following the Tribal priority window, the remaining unassigned 2.5 GHz spectrum will be made available for commercial use through a spectrum auction. Accordingly, we declined to adopt priority windows for non-incumbent educational institutions or incumbent licensees. Here's why. Experience suggests that the past is highly likely to be prologue. And today, an overwhelming number of today's EBS licensees lease an overwhelming amount of EBS spectrum out to wireless companies. They don't use it for educational purposes. Indeed, over

95% of current license-holders for our 2,193 EBS licenses today lease much of this spectrum to non-educators. This longstanding arbitrage has been unhelpful to consumers for many years, and extending this middleman model even further makes no sense.

Moreover, significant public interest benefits follow from the approach we took. We adopted an overlay auction with county-size licenses. We adopted a band plan that benefits all operators. And we adopted bidding credits for small entities. This approach would encourage small companies to participate—companies like Midco, Carolina West Wireless, Pioneer Cellular, Viaero Wireless, AST Telecom, Wave Wireless, and Paladin Wireless. These are the foot soldiers of the digital revolution in rural and low-income America. These are the providers that will use this public resource to benefit the entire public. These are the companies that support the approach we've taken.

Thank you once again for your letter. Please let me know if I can be of any further assistance.

Sincerely,

A handwritten signature in black ink that reads "Ajit V. Pai". The signature is fluid and cursive, with the first name "Ajit" being the most prominent part, followed by "V." and "Pai".

Ajit V. Pai